



CITY OF DURHAM | DURHAM COUNTY
NORTH CAROLINA



Date: September 16, 2013

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Steven L. Medlin, AICP, Planning Director

Subject: Coordinated Annexation Agenda Item for Hendrick Southpoint

Executive Summary. A request for utility extension agreement (EA), voluntary annexation, comprehensive plan amendment, and zoning map change has been received from Durham Investors, LLC for the Hendrick Southpoint development. The site is located on the west side Fayetteville Road, south of Renaissance Parkway (please see Attachment 1 for a project area context map).

The applicant in this case has requested an initial zoning designation of Commercial General with a Development Plan (CG(D)) which would allow up to 180,000 square feet of commercial development. The current County zoning (RR – County jurisdiction) would allow approximately 49 single-family houses on well and septic systems. (see Attachment 9 for the zoning staff report).

Additionally, the applicant is requesting a comprehensive plan amendment to change the Future Land Use Map (FLUM) from Low-Medium Density Residential (4-8 DU/Ac.) to Commercial for 12.87 acres of the overall 34.96 acre site (see Attachment 6 for the plan amendment staff report). Staff is recommending approval of the plan amendment and initial zoning.

Public Works and Water Management performed the utility impact analysis for the utility extension agreement and the existing sanitary sewer and water mains have capacity for the proposed development. No offsite improvements will be required, other than extension of sewer and water service to the site.

Budget and Management Services performed a fiscal impact analysis, which determined that the proposed annexation will be revenue-positive immediately following annexation.

One motion, with four sub-components are required by law to approve the utility extension agreement, voluntary annexation petition, comprehensive plan amendment, and zoning map change.

Alternatives and Recommendation. Council has two alternatives:

Alternative 1) **Recommended Alternative:** Approve the EA, voluntary annexation, plan amendment and zoning map change.

Alternative 2) Deny the EA and voluntary annexation petition. No action would be required or authorized on the plan amendment or zoning map change.

Issues and Analysis. This request involves four separate items: utility extension agreement, voluntary annexation, comprehensive plan amendment, and zoning map change. Each item (and alternative above) will be reviewed below:

Utility Extension Agreement

Approval of the EA would authorize the applicant to serve the site by connecting to the existing City water and sewer mains that are adjacent to the site. The existing sanitary sewer and water mains have capacity for the proposed development. No offsite improvements will be required, only proposed sewer and water mains within the projects scope will be required.

Voluntary Annexation Petition

The Administration is requesting the Council conduct a public hearing and consider annexation of the subject property with an effective date of September 30, 2013. The public hearing will be held in compliance with N.C. General Statute 160A-31(c).

Annexation would require the provision of City services to the subject property. Budget and Management Services performed a fiscal impact analysis, which determined that the proposed annexation will be revenue positive immediately upon annexation.

Plan Amendment

The proposed plan amendment would change the Future Land Use Map designation of the Comprehensive Plan from Low-Medium Density Residential (4-8 DU/Ac.) to Commercial for 12.87 acres of the overall 34.96 acre site. Staff is recommending approval of the plan amendment. On August 13, 2013 the Planning Commission recommended approval by a vote of 10-2. Please see the plan amendment staff report (Attachment 9) for more information.

Zoning Map Change

The applicant is requesting a zoning map change from RR to CG(D) for 180,000 square feet of commercial use. The Traffic Impact Analysis (TIA) submitted with the zoning map change indicates the use will be auto sales. Should the accompanying plan amendment be approved, this request would be consistent with all adopted City plans

and policies, and the applicant has committed to making all transportation improvements identified in the TIA. On August 13, 2013 the Planning Commission recommended approval by a vote of 10-2. Please see the zoning map change staff report (Attachment 9) for more information.

Financial Impact. The estimated annual General Fund revenues generated from this annexation area under the initial zoning map change at build out in FY2016-17 is \$304,325. The estimated annual General Fund expenditures associated with providing City services at build out is \$38,879. The estimated annual General Fund net gain to the City at build out is \$265,445. The cumulative estimated General Fund net gain to the City at build out is \$1,564,971.

CIP expenses are projected to be realized in FY2015-16. This includes an estimated proportional cost of \$20,007 (0.39%) for a new Fire Station, with a total cost of a new Fire Station estimated at \$5,150,000.

A cost-benefit analysis is attached that provides cost and revenue projections through FY2024-25, including CIP expenses.

The chart below contains additional details regarding projected departmental revenue and expense projections.

Department/Type	Revenues	Expenses
Fire	Annual inspection fees totaling \$1,500	CIP Fire Station, vehicles, personnel
Inspections	Impact fees are paid at time of Cert. of Occupancy: Street Impact fees for General Retail Zone 4 = \$901,440	Net zero: expect cost recovery comparing inspection revenues to staff/service delivery costs
Planning	\$9,313 site plan review, plat review and street closing- one time FY14	n/a
Police	n/a	Estimate for this area would require .25 FTEs at cost of \$15,580 and \$16,423 in capital cost for a vehicle. The on-going annual costs are estimated at with on-going operating of \$20,452.
Public Works	Street Maintenance \$199 - Fees and reimbursements. This is "on-going" revenue attributed by % factor for streets added.	\$579 on-going operating for maintenance, fuel, disposables, etc. on an allocated basis for added street mileage.
Transportation	Assumes 1) no fixed route service extended to this area, 3) Powell Bill reimbursement for stop sign maintenance - subject to available funds - estimated at \$73 annually for traffic signs and pavement markings	Assumes 1) \$6,611 for thoroughfare streetlights starting in FY2017, 2) no traffic signals, 3) \$67 OP for stop signs & street markers annualized cost, 4) \$28 OP for restriping annualized maintenance cost, 5) no additional paratransit service need,

		6) no new fixed route bus required
Solid Waste	No revenues are projected because this is commercial only.	No additional expenses are projected because this is commercial only and no services are available at this time.
Water Management	n/a - Water and Sewer rates are based on size of meter and volume of water used. Does not impact General Fund.	n/a – Dept. sets rates and fees to recover operational costs and future infrastructure. Does not impact General Fund.
Parks & Recreation	n/a	n/a
Emergency Communications	n/a	n/a
Fleet Management	n/a	n/a

SDBE Summary. This item has no known SDBE impact.

Attachments

- Attachment 1: Context Map
- Attachment 2: Aerial Map
- Attachment 3: Utility Extension Agreement
- Attachment 4: Utility Life Cycle Costs
- Attachment 5: Cost/Benefit Analysis
- Attachment 6: Plan Amendment Staff Report
- Attachment 7: Plan Amendment Context Map
- Attachment 8: Applicant's Justification Statement
- Attachment 9: Zoning Map Change Staff Report
- Attachment 10: PIN List
- Attachment 11: Development Plan
- Attachment 12: City DOT TIA Memo
- Attachment 13: NCDOT TIA Memo
- Attachment 14: Durham Open Space and Trails Memo
- Attachment 15: Planning Commission Summary and Written Comments
- Attachment 16: Legal Description
- Attachment 17: Clerk Certification
- Attachment 18: Annexation Ordinance
- Attachment 19: Plan Amendment Resolution
- Attachment 20: Zoning Map Change Ordinance